Chapter 5

Design Options in Sport Organizations

LEARNING OBJECTIVES

When you have read this chapter you should be able to

1. understand the difference between a typology and a taxonomy,

2. explain the five parts of an organization,

3. describe each of the five basic design types,

4. explain the advantages and disadvantages of each design type, and

5. know under what conditions each design type would be found.

ORGANIZING COMMITTEES WITH A DIFFERENCE

The 1999 Pan American Games were held in Winnipeg, Manitoba. The games brought together 5,000 athletes from 42 countries to participate in 41 different sport events. They were organized by the Pan American Games Society (PAGS). This organizing committee was led by a volunteer board of directors, and its chairman envisioned the games as fully community led and prepared by volunteers. The objectives of the committee were to create excitement and pride in the community, foster international trade opportunities for the city and province, and create a first-rate event to be remembered by the participants, all of this in a fiscally responsible manner. Volunteer committees were established to deal with, notably, games operations, volunteers, sponsorship, marketing, communication, finances, and sport. A small staff was hired to help support the volunteers. Decision making was to be pushed down the hierarchy so that by the start of the games, venue teams composed of volunteer representatives from the various divisions would be fully in charge of running them. Two years out from the games, the volunteers realized that this project was much larger and more complex than they expected. A major restructuring occurred and more staff was hired. Staff took over the day-to-day operations and largely dealt with internal issues (as opposed to the volunteers, who handled mainly external issues). However, the venue-team concept remained. The games were run by a completely volunteer force of over 20,000 individuals. By the end of the games, the objectives were reached, with no major economic impact.

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Team Canada at the opening ceremony of the IV Games of La Francophonie.

Photograph of the IV Games of La Francophonie, Department of Canadian Heritage, 2001. Reproduced with the permission of the Minister of Public Works and Government Services, 2001. Photographers: Dan Galbraith & Donavon Gaudette.

In contrast, the 2001 Jeux de la Francophonie (Games of La Francophonie) were held in Ottawa-Gatineau, Ontario-Québec, and brought together 3,000 athletes and artists from 51 countries to participate in eight sport and eight cultural events. The games were organized by the Comité Organisateur des Jeux de la Francophonie (Games of La Francophonie Organizing Committee, 2001) or COJF. This organizing committee was led by a volunteer board of directors, who hired an event management and sponsorship company to run the games. The company's owner became the executive director of the games, a paid position. He wanted the games to be "large and beautiful." Hired staff was divided into divisions to organize sponsorship, finances, corporate services, games operations, cultural competitions, sport competitions, logistics, communication, media relations, and promotions. Volunteers were recruited to assist the staff in running the games. A form of the venue-team management system was used but was run by staff, supported by more than 4,000 volunteers. By the end of the games, consensus was that they were a success. The events were large (the nation's capital region had never hosted an international competition of this magnitude before), the region beautifully decorated, and participants and visitors enjoyed themselves. Best of all, the games were reported to have made a profit of Can$2 million.

Based on information in PAGS (1999).

Despite the fact that both organizing committees had the same purpose—to host a major sport event—they were structured differently. In fact, no two organizations within the sport industry are exactly alike, even though they may operate within the same market. The Chicago Bulls management structure is different from that of the New York Knicks. Likewise, the athletic department at the University of Massachusetts runs differently than the one at the University of Tennessee.

Although no two sport organizations are exactly alike, they do have commonly occurring attributes that allow us to classify and compare them. Take, for example, Holland Cycle and the Double G Card shop; one makes bikes, the other buys and trades sport cards. But if we look closely at their structures we find they have at least two common features: Each is low in complexity and formalization. By identifying commonly occurring features of sport organizations we can classify them into what are termed design types or configurations. In many ways classification is one of the central tasks of organizational theorists (cf. McKelvey, 1982; Miller & Friesen, 1984; Mintzberg, 1979). Once commonalties are identified and sport organizations are classified, it is possible to use the resultant design types for the generation of hypotheses, models, and theories. As Mills and Margulies (1980, p. 255) point out, "Typologies play an important role in theory development because

valid typologies provide a general set of principles for scientifically classifying things or events. What one attempts to do in such endeavors is to generate an analytical tool or instrument, not only as a way of reducing data, but more significantly to stimulate thinking." This point is further underscored by McKelvey (1975, p. 523):

> Organization science, and especially the application of its findings to the problems of organizations and managers, is not likely to emerge with viable laws and principles until substantial progress is made toward an acceptable taxonomy and classification of organizations. The basic inductive-deductive process of science does not work without the phenomena under investigation being divided into sufficiently homogeneous classes. Managers cannot use the fruits of science unless they first discover which of all the scientific findings apply to their situation.

In this chapter we look first of all at the methods used to classify organizations and produce design types. We then discuss the typology of organizational designs developed by Mintzberg (1979). We look in depth at each of Mintzberg's designs and show how examples of each can be found within the sport industry. We also explain the advantages and disadvantages of each design, and describe the conditions under which it is most likely to be found.

Typologies and Taxonomies

Two main approaches can be used to uncover design types (configurations). The first of these is the creation of typologies; the second is the development of taxonomies.

> Typologies are, in a sense, of an *a priori* nature; they are generated mentally, *not* by any replicable empirical analysis. Taxonomies are derived from multivariate analyses of empirical data on organizations. Typically organizations or aspects of their structure, strategies, environments, and processes are described along a number of variables. Attempts are then made to identify natural clusters in the data, and these clusters, rather than any *a priori* conceptions serve as the basis for the configurations (Miller & Friesen, 1984, pp. 31-32) (emphasis in original).

In the next few pages we look briefly at the main typologies and taxonomies found in the management literature, and those schema that have been developed for classifying sport organizations.

Typologies

The first attempt to classify organizations into types can be found in Weber's (1947) writings on social domination and the attendant patrimonial, feudal, and bureaucratic forms of organization. Weber demonstrated how each type of organization "could be characterized by a number of mutually complementary or at least simultaneously occurring attributes" (Miller & Friesen, 1984, p. 32). In the 1950s, Parsons (1956) followed Weber and created a **typology** based on the goals or functions of the organization. He identified organizations that had economic goals, political goals, integrative functions, or pattern maintenance functions. As Carper and Snizek (1980, p. 66) note "Parsons' approach represents an early and limited form of systems theory thinking in that it attempts to tie the organization to the environment through the activities that the former performs for the latter."

Burns and Stalker (1961) suggested two types of organizational design, organic and mechanistic. The *organic* type of organization was found in changing conditions where new and unfamiliar problems had to be dealt with; it contained no rigid control systems, and employees showed high levels of commitment to the organization. In contrast, *mechanistic* organizations were found in stable conditions; tasks were narrowly defined, and there was a clear hierarchy of control, insistence on loyalty to the organization, and obedience to superiors. This form of organization is very much like Weber's legal-rational bureaucracy. Organic and mechanistic types of design were viewed as polar opposites, with organizations described according to their position on a continuum between them. Shortly after Burns and Stalker, Blau and Scott (1962) produced a typology based on the principle of cui bono or "who benefits" from the organization. Four types of structure were identified: mutual benefit organizations, where the prime beneficiary is the membership; business concerns, where the prime beneficiary is the owner(s) of the business; service organizations, where the clients benefit; and commonweal organizations, whose prime beneficiary is the public at large. Chelladurai (1987) has suggested that the prime beneficiary approach could be used in conjunction with the strategic constituents

approach to evaluate the effectiveness of sport organizations.

Several typologies have focused on the organization's technology as the criterion variable for classification. Woodward (1958, 1965) distinguished organizations as to whether they used unit or small batch, large batch or mass, or continuous-process types of technology. Perrow (1967, 1970) focused on whether technology was craft, routine, nonroutine, or engineering; Thompson (1967) used core technologies, which he described as either long-linked, mediated, or intensive, as his basis for classification (see chapter 9 for more details on the work of Woodward, Perrow, and Thompson).

Another typology is Gordon and Babchuk's (1959) tripartite classification: instrumental, expressive, instrumental-expressive. Specifically developed to classify voluntary organizations, it has been used to examine voluntary sport organizations. Instrumental organizations are designed "to maintain or create some normative condition or change" (Gordon & Babchuk, 1959, p. 25). Expressive organizations are designed to satisfy the interests of their members. Instrumental-expressive organizations show elements of both functions. In a study of the members of badminton and judo clubs, Jacoby (1965) found a very high expressive and very low instrumental orientation.

The only attempts to create typologies specifically related to sport organizations are those developed by Chelladurai (1985, 1992). In his 1985 book *Sport Management: Macro Perspectives*, he proposes a 12-cell classification system for sport and physical activity organizations. As shown in figure 5.1 the classification was based on three dimensions: (1) whether the organization was profit-oriented or nonprofit; (2) whether it provided professional or consumer services; and (3) whether it was part of the public, private, or third sector. "Third sector" indicates an organization, for example, some universities, "partly or wholly funded by tax moneys and managed privately" (Chelladurai, 1992, p. 39).

Chelladurai (1985) makes no attempt to categorize sport organizations into the various cells of his model; some of the cells may actually describe few if any sport organizations. For example, it may be difficult to find public-sector sport organizations that explicitly aim to make a profit and offer consumer services. Public-sector organizations are generally not concerned with making a profit per se, and usually provide professional (not consumer) services. Notwithstanding these short-

	Consumer service		Professional service	
	Profit	Nonprofit	Profit	Nonprofit
Private sector				
Public sector				
Third sector				

Figure 5.1 *Framework for classifying sport organizations.*
Reprinted, by permission, from P. Chelladurai, 1985, *Sport management: Macro perspectives* (London, Ontario: Sports Dynamics).

comings, which Chelladurai (1985) acknowledges when he suggests his framework requires extensive research, this classification scheme does provide a useful starting point for further discussion.

In extending his work on classification, Chelladurai (1992) does not focus on sport organizations per se but on the services they provide. Using two dimensions, "the type and extent of employee involvement in the production of services" and "client motives for participation in sport and physical activity," he produces six classes of sport and physical activity services: consumer pleasure, consumer health and fitness, human skills, human excellence, human sustenance, and human curative. Chelladurai (1992) goes on to describe each of these classes and discuss their managerial implications.

We see, then, that we can classify organizations, including sport organizations, in a number of ways. Although fewer typologies have been created in the sport literature than in the general management literature, sport organizations can obviously be typed in many of the more general classification schema. We could, for example, categorize sport organizations on the organic or mechanistic continuum or on the basis of "who benefits."

Carper and Snizek (1980, p. 70) have criticized the large number of typologies produced, suggesting that "there are virtually as many different ways to classify organizations as there are people who want to classify them." They suggest that the diversity of conceptual schemas, which have been developed, indicates a lack of agreement as to which variables should be used in constructing a typology. Most existing typologies have limited explanatory power because they are based on only one or two variables. Miller and Friesen (1984) support the need to focus on a broad array of variables when constructing typologies. They argue (1984, p. 33) that narrowly focused typologies "are not sufficiently encompassing to serve as a basis for reliable prediction or prescription." One typology that uses a large number and wide range of variables is developed by Mintzberg (1979). Based on an extensive survey of the literature, Mintzberg's classification scheme attempts to synthesize many of the research findings of the past two decades to produce five design types (Miller and Friesen, 1984). We examine these design types in detail a little later in this chapter, and show how they apply to sport organizations.

Taxonomies

A **taxonomy** is an empirically constructed classification that identifies "clustering among organiza-

tional variables that is statistically significant and predictively useful and that reduces the variety of organizations to a small number of richly defined types" (Miller & Friesen, 1984, p. 34). McKelvey (1978, 1982) has advocated the development of taxonomies to understand a number of organizational phenomena such as environmental adaptation, structural design, and change. Nevertheless, there have been considerably fewer attempts to construct taxonomies than to construct typologies. The first empirical taxonomy of organizations was developed by Haas, Hall, and Johnson (1966). Using a sample of 75 organizations they produced 10 design types; the number of organizations found in each design type ranged from 2 to 30. Much of their work deals with the methods they used to generate their taxonomy; there is no attempt to elaborate on the nature of the design types they established, or to replicate their approach on a different set of organizations to see if the same type of designs emerge.

Pugh, Hickson, and Hinings, the Aston group, (1969) developed a taxonomy based on structural data obtained from 52 relatively large (over 250 employees) organizations. Their analysis produced seven different types of bureaucratic structure, which led them to conclude (1969, p. 115) that the Weberian notion of a single bureaucratic type "is no longer useful, since bureaucracy takes different forms in different settings."

The most sophisticated use of taxonomy is found in the work of Miller and Friesen (1984). Using a sample of 81 organizations described along 31 variables of strategy, structure, information processing, and environment, they produced 10 common organizational design types, or what they term "archetypes." Identifying six of these types as successful, four as unsuccessful, Miller and Friesen argue that the notion of taxonomy can be extended to study organizational transitions between these archetypes. Based on 24 variables that described changes in such areas as strategy-making, structure, and environment for each transition, nine "transition archetypes" were produced. Thus they argue that the taxonomic approach can identify common paths in organizational evolution.

Within the sport literature there have been only two instances of using a taxonomic approach to identify organizational design types. Both of these emanate from the work of Slack and Hinings and their students. Using data on the structural arrangements of 36 Canadian national-level sport organizations Hinings and Slack (1987) developed 11 scales that addressed three aspects of organizational structure: specialization, standardization, and centralization of decision making. After

a factor analysis, two factors were produced: one concerned with the extent of professional structuring in these organizations, and the other with volunteer structuring. By dividing the scores of the 36 organizations at the mean on each factor, Hinings and Slack produced nine organizational design types, and were able to demonstrate the extent to which these national sport organizations exhibited characteristics of professional bureaucratic structuring. Sport Canada, the federal government agency that provided a large portion of the national sport organizations' funding, has been pushing them toward such a design.

In a somewhat similar study Kikulis et al. (1989) created a taxonomy using data from 59 provincial-level sport organizations. Using Ward's method of hierarchical agglomerative clustering, Kikulis et al. produced eight structural design types, ranging from sport organizations that were "implicitly structured" to those that, within this institutional sphere, showed high levels of professional bureaucratic structuring. Kikulis et al. argue the merits of their study in demonstrating the variation in structural design in these sport organizations and as a basis for understanding a range of organizational phenomena. They note (1989, p. 148) that, once structural designs are identified, it is possible "to conduct in-depth studies of representative organizations and develop qualitative data bases to provide us with richer insights into the internal dynamics, formative processes, and performance implications of each structural design."

Mintzberg's Configurations

One of the most sophisticated and frequently used of all organizational typologies is the one developed by Henry Mintzberg (1979). Mintzberg uses "design parameters"—specialization, formalization of positions, training of members, and the nature of decentralization—along with contingency factors—age, size, and environment—to produce five design types, or what he terms configurations. They are: simple structure, machine bureaucracy, professional bureaucracy, divisionalized form, and adhocracy. Essentially, Mintzberg argues that there are five parts of an organization and five methods by which coordina-
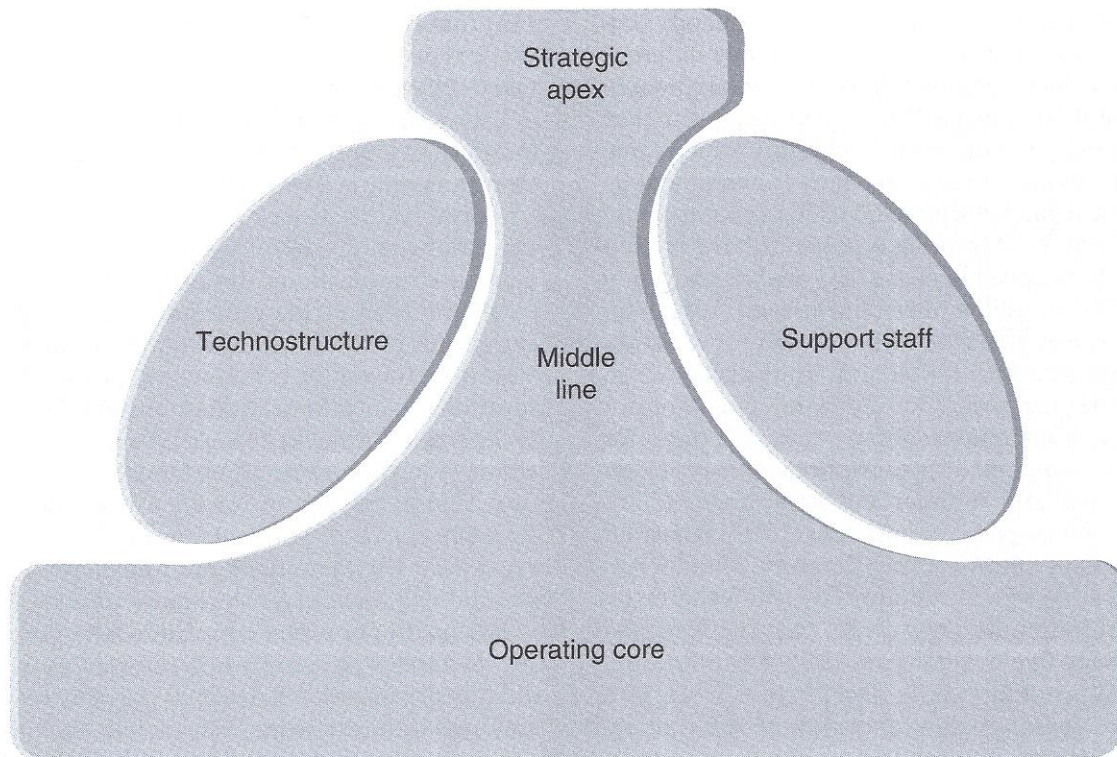

Figure 5.2 *Five basic parts of organizations.*

tion is achieved. The five parts of the organization are shown graphically in figure 5.2, and explained here.

Parts of the Organization

- **Operating core:** This is where we find those employees responsible for the basic work necessary for producing the organization's products or services. At Huffy this is where we find the people who are involved in assembling the bikes. In a sport medicine clinic, the doctors and physiotherapists who treat the patients constitute the operating core.
- **Strategic apex:** This is where we find the senior managers of the sport organization.
- **Middle line:** These are the managers who join the operating core to the strategic apex. In a government agency concerned with sport, for example, these people would be the middle managers who provide the link between staff and the senior bureaucrats.
- **Technostructure:** This is where we find the analysts responsible for designing the systems that standardize work processes and outputs in a sport organization. In an organization that produces sport equipment, the technostructure would be made up of people such as the industrial engineers, who standardize the work process, and the planners and accountants, who standardize the organization's output.
- **The support staff:** These are the people who provide support to the sport organization. For example, in a competitive gymnastics club, the support staff includes everyone from the athletic therapists and sport psychologists to the staff who take care of the equipment.

Methods of Coordination

Mintzberg (1979) describes the five ways in which coordination can be achieved in an organization—direct supervision, standardization of work processes, standardization of outputs, standardization of skills, and mutual adjustment. Each is explained here as they may apply to a sport organization.

- **Direct supervision:** Here one individual in the sport organization gives orders to the others, to coordinate their work.
- **Standardization of work processes:** This method is used when the way in which work is to be carried out is determined by someone else.

For example, the way ski jackets are produced in a company like Columbia is determined by the people who control the computerized design and pattern-making systems, not by the people who actually produce the jackets.

- **Standardization of outputs:** This method is used when the results of the work, that is the type of product or performance to be achieved, are specified. For example, output is standardized when the corporate headquarters of a sporting goods company specifies to its divisions that it wants them to increase sales by 10 percent in the upcoming year, but leaves the method of achieving this increase up to the divisional managers.
- **Standardization of skills:** Skills are standardized through programs designed to ensure the coordination and control of the work processes. Sport medicine clinics employ doctors just for this purpose. When an injured athlete enters the clinic, the doctor has been trained to deal with the situation and assess the injury and the treatment required.
- **Mutual adjustment:** Here the coordination of work is achieved through informal communication. A group of sport management professors who plan a training workshop for local entrepreneurs in the sport industry would probably adopt this approach to coordination.

Design Types

In each of the design types (configurations) one part of the organization and one method of coordination dominates. Table 5.1 provides an overview of Mintzberg's (1984) suggested organizational and coordination combination for each design type, as well as the major reason for each combination.

We find examples of each of these design types or configurations in the sport industry. Each has strengths and weaknesses and works best under certain conditions. In the remainder of this chapter we look in detail at each design type, discuss its advantages and disadvantages, and discuss when it is the most appropriate design for sport managers to use.

The Simple Structure

What do sport organizations such as a ski rental shop, the local water polo club, and a small voluntary group such as Luge Canada have in common? They all exhibit the characteristics of a simple structure.

As its name implies, the most evident characteristic of this design type is its simplicity. Typically the **simple structure** has little or no technostructure, few support staff, no real middle line (hence no lengthy managerial hierarchy), and a loose division of labor (Mintzberg, 1979). The organization has low levels of formalization and is unlikely to rely heavily on planning and training devices. As figure 5.3 shows, the most important parts of this organizational design are the strategic apex and the operating core. The structure is a relatively flat one and everyone reports to the strategic apex, which is usually one individual in whom power is concentrated. Coordination is achieved through direct supervision. Decision making is informal, with all important decisions being made by the CEO who, because of proximity to the operating core, is easily able to obtain any necessary information and act accordingly.

Advantages and Disadvantages

The main advantage of the simple structure is its flexibility. Because the person at the strategic apex is in direct contact with the operating core, communication is easily achieved. Information flows directly to the person in charge, so decisions can be made quickly. The goals of the sport organization are easily communicated to employees and they are able to see how their efforts contribute to achieving these goals. Since everyone reports to the strategic apex, lines of accountability are clear and straightforward. Also, decisions are made by the strategic apex with extensive knowl-

Table 5.1   Organizational and Coordination Tendencies in Mintzberg's Design Types

| Design type	Part of the organization	Method of coordination	Reason
Simple structure	Strategic apex	Direct supervision	Strategic apex wants tight control
Machine bureaucracy	Technostructure	Standardization (especially work process)	Agrees to decentralize decisions to the technostructure
Professional bureaucracy	Operating core	Standardization of skills	Operating core wants autonomy
Divisionalized form	Middle line	Standardization of outputs	Middle line wants semiautonomy
Adhocracy	Support staff	Mutual adjustment	Support staff wants decentralization to increase group work (collaboration)

Based on information in Mintzberg (1984).
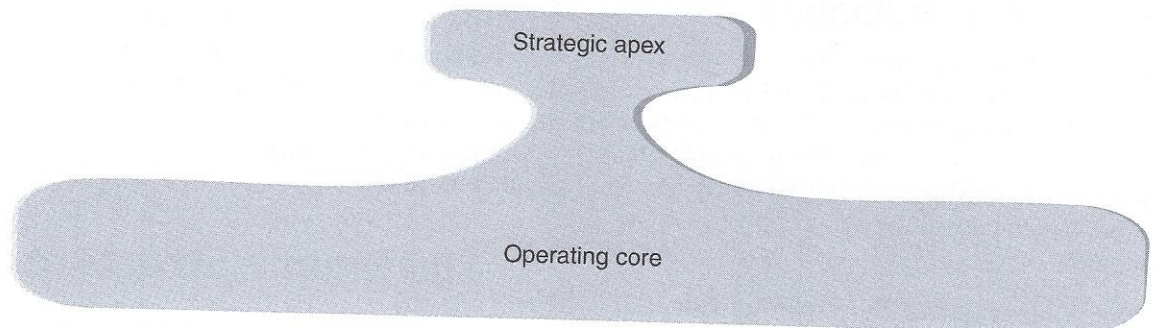
Figure 5.3   The simple structure.

edge of what is going on below (Mintzberg, 1979). Many people enjoy working in a simple structure because they are unencumbered by bureaucratic controls; a sense of mission often pervades this type of sport organization.

The main disadvantage of the simple structure is that it is useful only for smaller sport organizations. As a sport organization grows and its environment becomes more complex, the simple structure design type is no longer appropriate. The complexities of a large sport organization cannot be handled by a simple structure. There is also the possibility that the person who has the power to make changes, the CEO, may resist growth because it will mean increased formalization and possibly a reduction of this individual's power. The centralization of power at the top of the simple structure is in fact a double-edged sword. While it facilitates decision making, it can lead to the CEO's unwillingness to give up responsibility to others and resentment on the part of employees that one person "calls all the shots." Strategic issues may be pushed to the side if the CEO gets too involved with operational issues (Mintzberg, 1979). Finally, a simple structure is a risky design type in that, as Mintzberg (1979, p. 312) puts it, "one heart attack can literally wipe out the organization's prime coordinating mechanism."

TIME OUT   *The Running Room: From Simple Structure to International Success*

John Stanton started running in 1981 in an effort to get in shape. As he improved, he needed better running shoes. However, he would find that the staff who typically worked on commission in sporting goods stores, not only knew little about running shoes but also tried to sell the most expensive pair instead of the best pair. There was also a lack of quality shoes, even in large sporting goods stores, so Stanton decided to solve this problem.

In 1984, Stanton opened a one-room store in a renovated living room of an old house in Edmonton, Alberta. He called it The Running Room. Employees were called team members, and Stanton wanted the store to be run by runners for runners. The store became known for product innovation, quality service, quality products, and sport knowledge. Staff and customers are invited to give feedback about
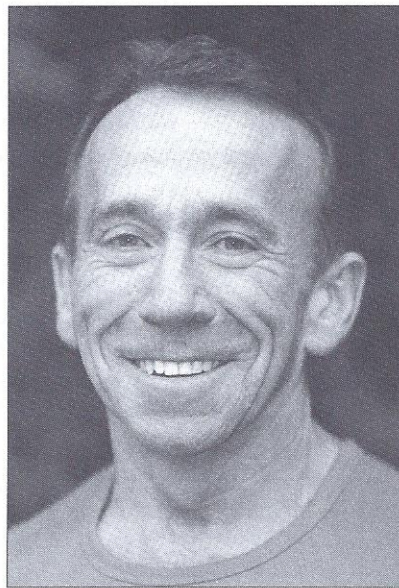

Photo courtesy of Running Room.

John Stanton founded the Running Room in a one-room store; the business now has over 70 store locations. As a small sport organization experiences growth, the simple structure design type may no longer be appropriate.

the products, providing a "proven track record" for products sold. The Running Room created its own label to provide customers with products that were stylish and functional, composed of innovative fabric, and affordable.

By 2005, The Running Room had more than 75 locations in Canada and in the United States. The store offers clinics on walking, running, marathons, and personal training, and at least 400,000 individuals have graduated from these clinics to date. A Running Room Running Club—no membership fees required—allows club members to work out in a social context and have access to coaching to improve their techniques and training methods.

The concept has been so successful that Stanton has decided to open a similar store, The Walking Room, dedicated to gear for walkers.

Based on information in Running Room Ltd. (2003).

Where Do We Find the Simple Structure?

The most common place to find a simple structure is in a small sport organization, a sport organization in its formative years, or one that is entrepreneurial in nature. Simple structures are also used when a sport organization's environment is simple and dynamic, when larger sport organizations face a hostile environment, and when CEOs have a high need for power or power is thrust upon them.

In a small sport organization coordination is achieved through direct supervision. It is relatively easy for one person to oversee the organization's operations and to communicate informally with employees. Many different types of smaller organizations within the sport industry have adopted the simple structure for these reasons. Figure 5.4 shows the structure of Mike's Bike and Sport Store, a small retail sporting goods store that operates with a simple structure.

A sport organization's stage of development, as well as its size, can influence its design. Most organizations exhibit characteristics of a simple structure in their formative years, but some may maintain this design type beyond this stage of their development (Mintzberg, 1979). The Time Out earlier in this chapter illustrates how, in its early days, The Running Room operated with a simple structure.

Entrepreneurial organizations within the sport industry often adopt the simple structure design because it allows them to be aggressive and innovative within simple and dynamic environments. This mirrors the entrepreneur's tendency to have an autocratic and charismatic leadership style (Mintzberg, 1979). Successful entrepreneurial companies often do not maintain the simple structure type of design for any length of time; as they grow, the design is replaced with a different set of structural arrangements. Gould (1989) describes how successful entrepreneurial sport organizations such as the Fitness Group of Vancouver, Sun Ice, and Bloor Cycle all operated with a simple structure in their early years.

Even for other types of companies a simple and dynamic environment is best served by a simple structure. The simple environment is easily scanned by the person at the strategic apex, and the organic operating core found in a simple structure means a quick reaction to changes in the environment.

A crisis situation may force larger sport organizations to adopt the characteristics of a simple structure. When a sport organization's environment is hostile, the CEO may tend to centralize power and reduce bureaucratic controls to respond to the crisis. For example, in 1984 when Nike was experiencing financial problems and a serious challenge from Reebok, Philip Knight took back the presidency of Nike, which he had turned over to Bob Woodell about a year earlier.

Finally, the need for power may also precipitate the adoption of a simple structure. Given the concentration of power at the strategic apex and the lack of formalization or any type of technostruc-
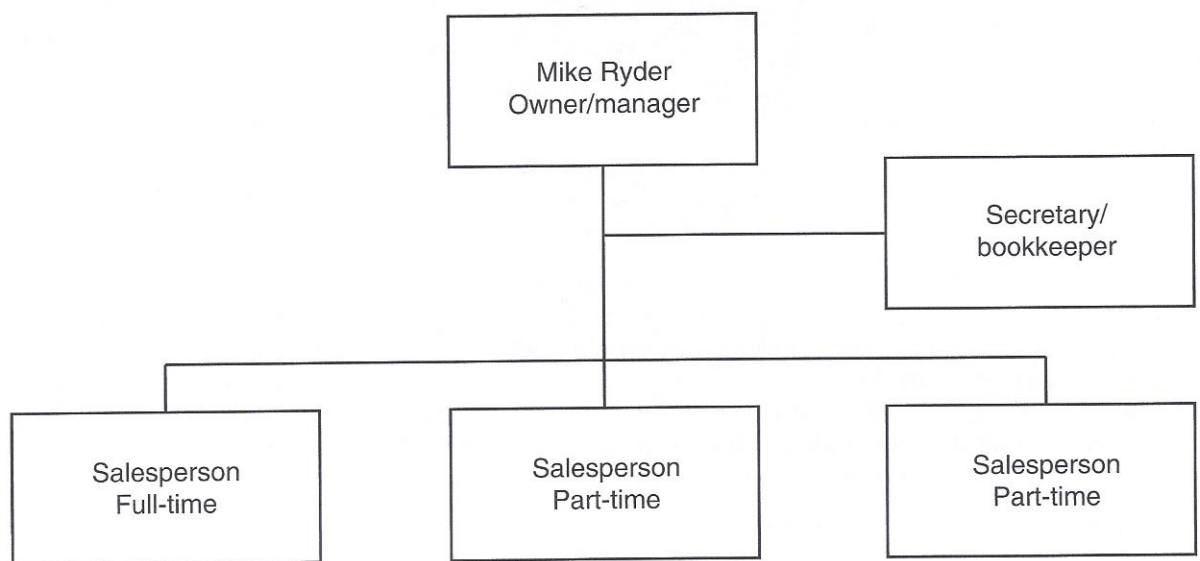

Figure 5.4 *Mike's Bike and Sport Store: a simple structure.*

ture, this type of design is ideal for those CEOs who seek to maintain power. Alternatively, this design may be found when CEOs do not necessarily seek power but members bestow it on them. Mintzberg (1979) refers respectively to these variants of the simple structure as autocratic and charismatic organizations.

The Machine Bureaucracy

When a sport organization produces a standard output such as a hockey stick, when there is a requirement for fairness and public accountability such as we find in a government agency, and when consistency is required in performing relatively simple tasks such as on a football team, the most appropriate structure to use is a machine bureaucracy. Like Weber's legal-rational bureaucracy, the **machine bureaucracy** is characterized by high levels of standardization, formalized communication procedures, the functional grouping of tasks, routine operating procedures, a clear delineation between line and staff relationships, and a centralized hierarchy of authority. Figure 5.5 shows

Mintzberg's depiction of a machine bureaucracy. In this type of design the technostructure is the key part of the organization, and contains the analysts, such as the quality control engineers, planners, and designers who standardize the work to be performed. Although their role is primarily advisory, they exercise considerable informal power because they structure everyone else's work (Mintzberg, 1979).

Advantages and Disadvantages

The main advantage of the machine bureaucracy is its efficiency, because it allows "simple, repetitive tasks [to] be performed precisely and consistently by human beings" (Mintzberg, 1979, p. 333). The grouping of specialist tasks in a machine bureaucracy results in certain economies of scale and less duplication of activities. In some cases, particularly those sport organizations involved in mass production, the high levels of standardization found in a machine bureaucracy mean less-qualified, and hence cheaper, employees can be used. In government agencies that use what Mintzberg (1979) calls a public machine bureau-
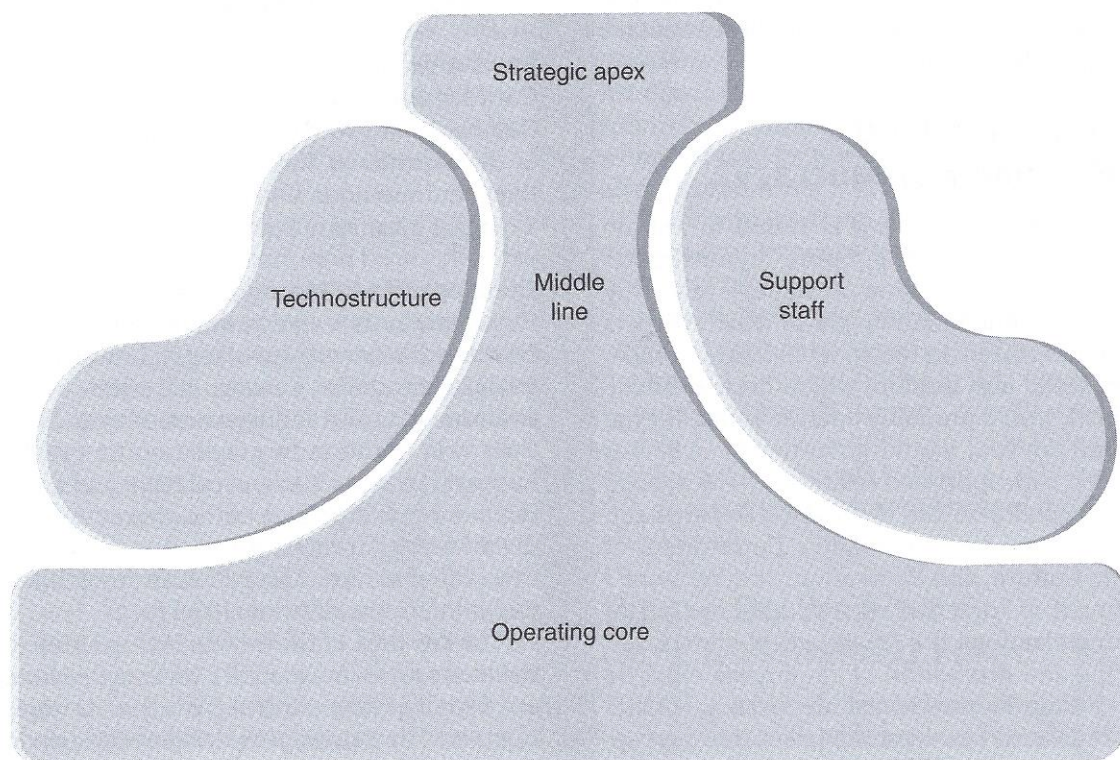

Figure 5.5   *The machine bureaucracy.*

cracy design, the use of low-cost labor is less pronounced. Because the lines of authority are clearly outlined in a machine bureaucracy, workers know their responsibilities. And, centralized control means that outside of the strategic apex, and to a certain extent the technostructure where the work is standardized, there is little need for creative thinking.

The three disadvantages of a machine bureaucracy identified by Mintzberg (1979) are human problems, coordinating problems, and adaptation problems at the strategic apex. Many of the human problems emanate from the narrow specialization of work found in this design type; often dehumanizing for employees, it stifles creative talents and produces feelings of alienation. Hence coordination is made difficult. Such divisions can also promote "empire building" within the functional areas, which in turn creates conflicts that impede communication and coordination.

Finally, while the machine bureaucracy works well in stable environments it does not respond well to change. As Mintzberg (1979) points out, change generates nonroutine problems. When these become frequent, there can be work overload at the strategic apex, because these problems are passed up the hierarchy. Quick responses are difficult since managers are not in direct contact with the problem areas.

Where Do We Find the Machine Bureaucracy?

The machine bureaucracy is found in simple and stable environments. Sport organizations that adopt this design type are usually relatively large, with routine technologies in which work is easily standardized. In the sport industry companies like Head and Dunlop, which mass-produce equipment, would probably operate with this type of design. So, too, would government agencies concerned with sport and related activities, such as the Oregon Parks and Recreation Department; the Province of Newfoundland's Department of Tourism, Culture, and Recreation; and Vermont's Department of Forests, Parks, and Recreation. In these organizations the treatment of clients and the hiring and promotion of employees must be seen to be fair. The machine bureaucracy, with its highly regulated systems, achieves this perception best. Guttmann (1978) suggests that many of the major governing bodies of sport such as the Marylebone Cricket Club (MCC), the International Association of Athletic Federations (IAAF), and the Federation Internationale de Football Association

(FIFA) exhibit a number of the characteristics of a machine bureaucracy.

Even a baseball team or a football team may operate as machine bureaucracies. George Allen, the former general manager of the Washington Redskins, exemplified this type of thinking when he suggested this analogy:

> A football team is a lot like a machine. It's made up of parts. I like to think of it as a Cadillac. A Cadillac's a pretty good car. All the refined parts working together make the team. If one part doesn't work, one player pulling against you and not doing his job, the whole machine fails (Terkel, 1972, p. 508).

The owner of the team represents the strategic apex, the players the operating core, and the general manager the middle line. The support staff is made up of team doctors, athletic therapists, strength coaches, and equipment personnel. The technostructure consists of coaches, assistant coaches, and scouts who standardize the work processes of the players in the operating core.

The Divisionalized Form

Sport organizations such as Time Warner, Disney Corporation, Brunswick Corporation, Coleman Company, and Wembley Group all use some type of **divisionalized form**, essentially a set of relatively autonomous organizations coordinated by a central corporate headquarters. In some of the examples used here, not all of the company's divisions operate in the sport industry. Brunswick, for example, is a major manufacturer of power boats and is heavily involved in bowling centers, but also produces defense materials, aerospace components, and industrial products. Wembley Group, in addition to staging sport events, has interests in areas such as catering and the entertainment industry. One of the characteristics of a divisionalized form is, in fact, that it operates in a diversified market. Figure 5.6 shows Mintzberg's depiction of the divisionalized form.

The key part of the design is the middle line—the managers who head the various divisions and are usually given control over the strategic and operating decisions of their respective divisions. Corporate headquarters provide centralized support in areas such as finance, personnel, and legal matters. They also exercise some degree of control over divisions by monitoring and evaluating outcomes such as profit, market share, and
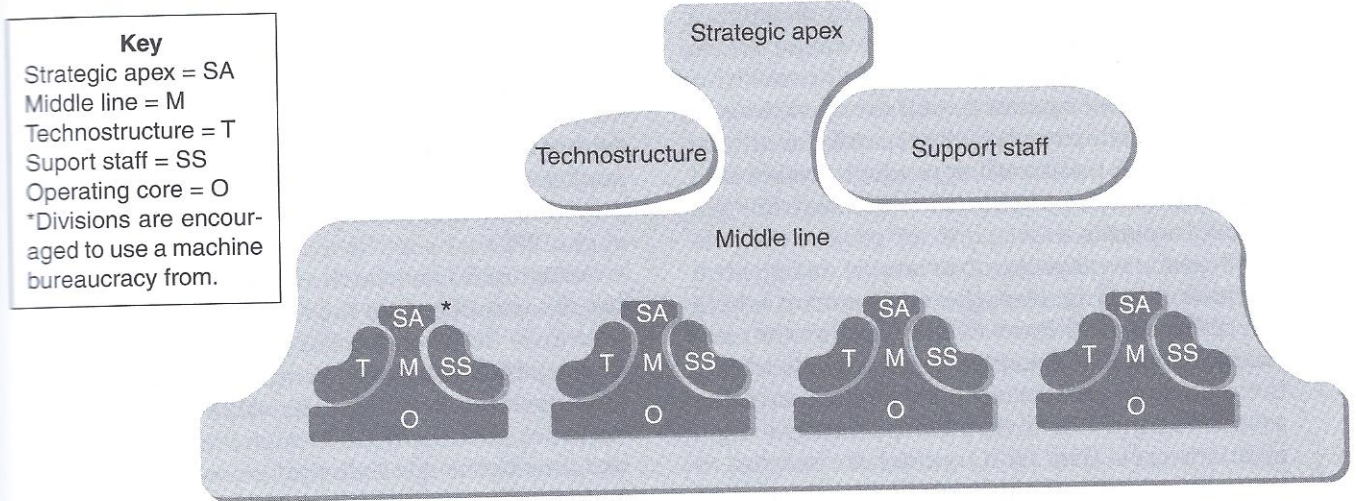
Key
Strategic apex = SA
Middle line = M
Technostructure = T
Suport staff = SS
Operating core = O
*Divisions are encouraged to use a machine bureaucracy from.

Figure 5.6 The divisionalized form.

MINTZBERG, HENRY, STRUCTURING OF ORGANIZATIONS, 1st Edition, © 1979. Adapted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

sales growth. Essentially, division managers are allowed to operate as they see fit, provided they conform to corporate guidelines. The divisions that constitute the overall structure may exhibit a variety of designs. But the fact that corporate headquarters retains control by monitoring performance, a procedure that requires clearly defined standards, means that the divisionalized form is better suited to an organization that has machine bureaucracy-structured divisions (Mintzberg, 1979).

Advantages and Disadvantages

One of the main advantages of the divisionalized form is that its divisions are relatively autonomous. Their managers have operational and strategic control for markets falling under their responsibility (Mintzberg, 1979). This means that corporate staff does not concern itself with day-to-day operational issues and thus can pay more attention to long-term strategic planning for the entire organization. Using a divisionalized form means that corporate headquarters can allocate its financial resources more efficiently. If needed, capital can be extracted from one division and allocated to another. This type of structure also has been seen as a good training ground for senior managers. Division managers essentially run a business within a business, so they are able to gain experience in all areas. The divisionalized form is advantageous in that it allows a company to spread its risk (Mintzberg, 1979). Because it operates in diversified markets economic fluc-

tuations are dealt with more easily; if one part of the organization does not perform up to required expectations it can be closed down or sold off with relatively little impact on other operations.

As might be expected, the divisionalized form is not without its faults. Some of its main disadvantages revolve around the relationship among divisions and between divisions and corporate headquarters. Conflict may occur among divisions when they compete in similar product markets or when they vie for corporate resources. Conflict is also created when a division's goals run counter to corporate goals or when the constraints the corporation imposes on a division are seen as overly restrictive.

The existence of several divisions within the overall structure can lead to problems of coordination and control. Control in this type of design is usually achieved through quantitative performance measures, which can in turn lead to an emphasis on economic indicators and a tendency to ignore the social consequences of the division's operations.

Where Do We Find the Divisionalized Form?

The divisionalized form is most frequently found in organizations operating in diversified markets. As Mintzberg (1979, p. 393) points out, this type of structure "enables the organization to manage its strategic portfolio centrally, while giving each component of the portfolio the undivided attention of one unit." For our purposes it is important

to note that in most cases not every division of the overall organization will be operating within the sport industry. Some companies, such as Brunswick, have a majority of their operations in sport and sport-related products, while for others, sport may be just another product market in a company that also produces musical instruments and motorcycles.

Because it usually consists of integrated machine bureaucracies, the environment where the divisionalized form works best is relatively simple and stable, the same conditions that favor the machine bureaucracy. Size and age are also associated with the divisionalized form. As organizations grow they tend to diversify in order to protect themselves from market fluctuations; such diversification leads to divisionalization. Likewise, with time, a company's existing product markets may face challenges from new competitors; thus they are forced to look for new markets. Success in these markets leads to an increased number of divisions.

The Professional Bureaucracy

The last three decades have seen the emergence of many new professions (Larson, 1977; Johnson, 1972). Sport, like other areas of social life, has not gone untouched by these developments (cf. Lawson, 1984; Macintosh & Whitson, 1990). Sport psychologists, athletic therapists, coaches, and sport managers have all laid claim to professional status. The rise of professionalism has led to the creation of a new organizational form. The **professional bureaucracy** combines the standardization of the machine bureaucracy with the decentral-

ization that results from a professional's need for autonomy. The professional bureaucracy is found in a number of different areas of the sport industry; faculties of kinesiology often adopt this type of design, as do sport medicine clinics, sport marketing companies, and some voluntary sport organizations (cf. Hinings and Slack, 1987; Kikulis et al., 1989).

As figure 5.7 shows, the key part of the professional bureaucracy is the operating core. This is where we find the specialists, the professionals who operate relatively autonomously in this decentralized structure. The skills of the professionals are standardized through their training and their involvement in their professional association and related activities, but discretion is granted in the application of skills. For example, in a sport marketing company an individual client services manager will be expected to have some standard skills in the different areas of marketing but at the same time will be given relative discretion as to how to go about obtaining accounts. Unlike the machine bureaucracy, where work standards are developed by analysts in the technostructure and enforced by managers, the standards of the professionals emanate from their training and their involvement in their professional association. In addition to the operating core, the only other part of the professional bureaucracy developed to any extent is the support staff who assists the professionals. Because work is too complex to be supervised by a manager or standardized by analysts, there is usually only a small strategic apex and middle line, for example, the senior partner of the sport marketing company and perhaps some managers who have a coordinating function. There is also little need for any type of technostructure.
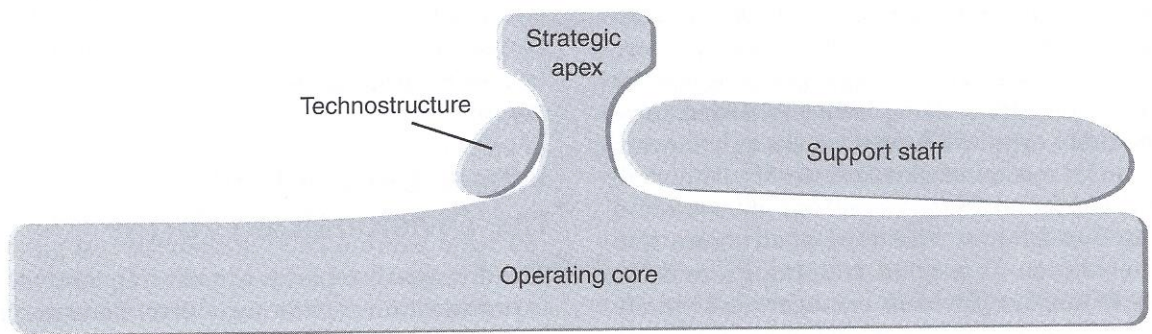

Figure 5.7   *The professional bureaucracy.*

Advantages and Disadvantages

In chapter 4 we saw how some elements of bureaucratic structuring, such as formalization and centralization, conflicted with professional values for autonomy. The advantage of the professional bureaucracy is that it minimizes these conflicts by combining the professional's need for autonomy with standardization. However, standardization is not achieved with detailed rules and procedures, but through training and other forms of professional practice (social specialization). The autonomy the professionals achieve is only acquired after lengthy education and often on-the-job training. So when an orthopedic surgeon working in a sports medicine clinic operates on the knee of an athlete, the athlete knows the chance of a mistake has been minimized—the surgeon was trained for the procedure in medical school, and watched and helped colleagues perform the surgery many times before attempting it.

The autonomy that a professionally trained person experiences from working in a professional bureaucracy is the major advantage of this type of design. It does, however, have disadvantages in that it can create coordination problems. Professionals, such as sport management professors, who work in a department that operates as a professional bureaucracy may have little in common with other departments, for example colleagues in exercise physiology. They have different training, different research agendas, and even a different terminology for their work. While each may prefer to be left alone "to do his own thing," it is necessary for each to get along with colleagues from other areas and coordinate their efforts to produce a well-balanced physical education and sport studies program.

A further disadvantage of this type of design is that, as Mintzberg (1979, p. 373) notes, it is "appropriate for professionals who are competent and conscientious. Unfortunately not all of them are, and the professional bureaucratic structure cannot easily deal with professionals who are either incompetent or unconscientious." This type of structure is also problematic in that allowing professionals a high level of autonomy can work against the development of any type of team approach to the problems and issues confronting the sport organization.

TIME OUT   *A Structural Taxonomy of Amateur Sport Organizations: The Professional Bureaucracy*

In a study of provincial-level sport organizations Kikulis et al. (1989) produced a structural taxonomy of organizational design types. Five of the organizations in the study—figure skating, ice hockey, soccer, swimming, and volleyball—exhibited the characteristics of a professional bureaucracy. These organizations had high levels of professional specialization and an extensive range of programs. Volunteer specialization, in both technical and administrative roles, was not as high as in many other organizations, indicating that program operation and management were in the hands of professionals assisted by volunteers. Coordination of programs and staff was achieved through a large number of meetings. There was, however, a relatively high level of standardization, a structural characteristic not usually found in professional bureaucracies but, for these organizations, a reflection of their strong ties to government.

Decision making was centralized at the volunteer board level. Although in an ideal professional bureaucracy the decision making is decentralized to the professional levels, Kikulis et al. point out that in voluntary sport organizations, the situation is somewhat more complex. In these types of organizations, decisions are actually made by professionals but ratified by the board. Although decisions must go to the board level for approval, the professionals in these organizations are able to structure the flow of information to the board in order to get the response they want. Consequently, while there is an appearance of board control, decision making is controlled by the professional staff, as we would expect in a professional bureaucracy.

Based on information in Kikulis, Slack, Hinings, and Zimmermann (1989).

Where Do We Find the Professional Bureaucracy?

We find professional bureaucracies in environments that are both complex and stable. Environmental complexity means that the skills to be learned require extensive periods of training but the stability of the environment means these skills can be well defined, in essence standardized. Age and size do not play a major role in influencing the choice of a professional bureaucratic design. We find small professional bureaucracies, for example, in a law firm that specializes in contract work for professional athletes, which may operate with three or four lawyers, an office manager, and support staff. We also find the professional bureaucratic design used in relatively new sport organizations. Unlike the machine bureaucracy, which often starts out as a simple structure, the professional bureaucracy requires little startup time.

The technology of the professional bureaucracy is important because it does not excessively regulate, it is not sophisticated, and it is not automated (Mintzberg, 1979). The presence of any of these characteristics in the organization's technology mitigates against the autonomy of professionals who requires discretion to carry out their work.

Adhocracy

Adhocracy is a highly flexible and responsive form of sport organization, what Burns and Stalker refer to as an organic structure. Used when a high level of innovation is required in the work processes, it may be a permanent or temporary design. The adhocracy has low levels of formalization, no structured hierarchy of authority, and high levels of horizontal differentiation, with specialists grouped into functional units for organizational purposes but often deployed to project teams to do their work. There are high levels of decentralization, little if anything in the way of standardized operating procedures, and coordination achieved through mutual adjustment, as teams containing managers, operators, and support staff work together to solve unique problems. In sport we find the adhocracy being used in television companies covering major sporting events, in research-and-development companies such as W.L. Gore & Associates, and in some university research labs.

As figure 5.8 shows, the adhocracy has little or no technostructure because its work cannot be standardized or formalized. The middle-line managers, the operating core, and the support staff are all professionals, so there is no clear demarcation between line and staff. Decisions are made by those who possess the expertise. The managers in the strategic apex spend their time monitoring projects, resolving the conflicts that inevitably arise in this type of free-flowing structure, and (probably most importantly) communicating with the external environment.

It is difficult to produce an organizational chart for an adhocracy because the internal structure of these organizations changes frequently as new
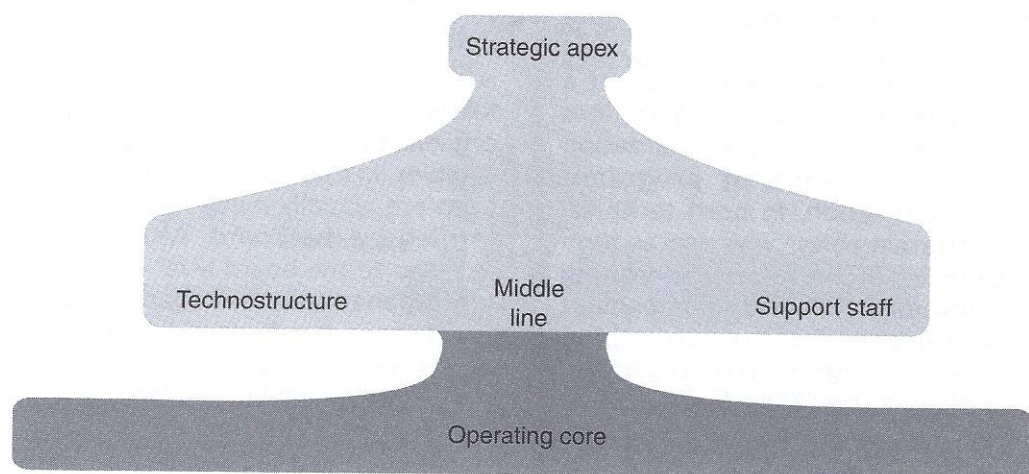

Figure 5.8   *The adhocracy*

MINTZBERG, HENRY, STRUCTURING OF ORGANIZATIONS, 1st Edition, © 1979. Adapted by permission of Pearson Education, Inc., Upper Saddle River, NJ.

problems require new project teams. Unlike the professional bureaucracy, the experts who work in adhocracies cannot rely on standardized skills to achieve coordination, as this would move away from innovation toward standardization (Mintzberg, 1979). Rather, in the adhocracy, groups of professionals combine their efforts to build on their existing knowledge and skills to produce innovative solutions to new and different problems. For example, in order to conduct research on the contribution that sport and other forms of physical activity make to increasing an individual's well-being, a department of health, physical education, and recreation may create a research unit that houses physiologists, psychologists, and sociologists. While these people do not normally work together, they could all combine their knowledge and skills to produce innovative solutions to

TIME OUT · Televising the Olympic Games

NBC paid $300 million for the American rights to televise the 1988 Summer Olympic Games from Seoul, South Korea. It's not an assignment that happens regularly at NBC. In fact, the last time the network televised an Olympics was the 1972 Games from Sapporo, Japan.

NBC spent three years planning the two-week extravaganza. What made the project uniquely challenging was its complexity. First, all preparations had to be made in addition to NBC's normal broadcasting operations. None of the planning effort for the Olympics could interfere with the day-to-day broadcasting of NBC's regular programs. If it was necessary to take people off their normal jobs to work on the Olympics, a replacement had to be found. Second, the project was immense. The physical distance of Seoul from NBC's New York headquarters, and language and cultural differences, made the job particularly challenging. A 60,000-square-foot broadcast center had to be erected in Seoul. At least $60 million in state-of-the-art technical equipment had to be shipped to South Korea and set up. More than 1,100 NBC employees—approximately 500 in engineering, 300 in production, and 300 in management and clerical positions—were needed to run the 100 monitor control rooms, 15 edit rooms, 150 tape machines, 100 NBC cameras, 17 mobile units, and to coordinate operations. Third, televising the Olympic Games demands high flexibility because unexpected, world-class performances can occur at almost any time. There were 220 events taking place at 23 different locations throughout Seoul. In many cases a half-dozen or more events were going on simultaneously, and NBC had to be able to switch from one site to another instantly if something noteworthy was occurring. Finally, NBC had a lot at stake in these games. It was competing against ABC's successful record of televising past summer and winter Olympics. Moreover, it had sold some 1,750 minutes of advertising time at an average of $660,000 per minute in prime time. Sponsors were expecting high ratings; if they didn't materialize there was the possibility that NBC would have to return part of the money to the advertisers. If ratings slacked, the estimated $50 to $75 million in profits that NBC was estimating from the Olympics could quickly turn to a loss. Of course, a successful performance in the ratings would have a positive effect, giving the network's fall schedule a strong boost.

How did NBC organize the task of broadcasting the games? They utilized an adhocracy. While NBC is essentially a machine bureaucracy, the structure used to plan and operate the Olympics had few formal rules and regulations. Decision making was decentralized, although carefully coordinated by NBC's executive producer for Olympic operations. The need to bring together more than a thousand technical specialists, who could apply their skills on a temporary project in a dynamic environment requiring the ability to respond rapidly to change, led NBC to use an adhocracy. Using any other design would have lessened the company's effectiveness in achieving its objectives.

Organization Theory: Structures, Designs, and Applications, by Robbins (1990). Reprinted, by permission, of Pearson Education.

this type of problem. A similar type of adhocratic structure may be created by a municipal council developing a plan to build a new multiuse sport facility; experts would be needed from departments concerned with land-use planning, sport programming, environment, transportation, and so on.

Advantages and Disadvantages

The main advantage of the adhocracy is that it can respond rapidly to change. It promotes creativity by bringing diverse groups of professionals together to work on specific projects. Adhocracies may be permanent structures, such as the lattice type of organizational design used at W.L. Gore & Associates (Rhodes, 1982), or they may be set up on a temporary basis. For example, in 2000 the government of Canada created a task force, which is a type of adhocracy, to investigate the structure of the Canadian sport system. The task force filed its report with the Minister of Canadian Heritage in May 2002 and was then disbanded. This type of temporary setup is not as easily achieved with other organizational design types.

The flexibility of the adhocracy is a weakness as well as a strength. High levels of flexibility mean that the adhocracy is the most politicized of the design types we have examined. There are no clear lines of authority and no formalized rules; consequently, employees may be involved in "political games" to achieve their goals, more than in other organizational designs. The political nature of the adhocracy means a potential for high levels of conflict, which can create stress for employees and for those who do not like rapid change and prefer consistency in their jobs. These stresses are compounded by the flexibility of the adhocracy.

Inefficiency is also a weakness of the adhocracy. The flexibility required in this structure means high levels of face-to-face communication, frequent discussions, and meetings, all costly in time and money. Another source of inefficiency is the unbalanced workloads—periods of high activity followed by periods of slower activity—for specialists (Mintzberg, 1979).

Where Do We Find the Adhocracy?

The innovative nature of the work performed in an adhocracy means that it is found in environments that are both dynamic and complex. As Mintzberg (1979, p. 449) notes, "in effect, innovative work,

being unpredictable, is associated with a dynamic environment; and the fact that the innovation must be sophisticated means that it is difficult to comprehend, in other words associated with a complex environment." For these reasons, research units such as those found in a faculty of physical education and sport studies may choose to adopt this organizational design. So, too, may the organizing committee for a temporary event such as a road race or a basketball tournament.

Technology will also influence the decision to structure as an adhocracy. An organization with a sophisticated technical system requires "specialists who have the knowledge, power, and flexible work arrangements to cope with it" (Mintzberg, 1979, p. 458). This requirement creates a decentralized structure and considerable integration of the analysts in the technostructure, the operators, and the support staff, an integration best achieved with an adhocracy.

Other factors influencing the choice of an adhocracy are age or, as Mintzberg notes, more specifically, youth and fashion. Youth is a factor because a number of young organizations seek to be innovative with new products and markets; adhocracy facilitates this quest for innovation. Fashion is a factor because much of the "pop culture management" literature has critiqued notions of hierarchy and centralization in organizations, and has suggested the need for more organic structures and innovations such as project teams and task forces. Again, the adhocracy is designed to meet these kinds of requirements.

Organizational Designs as Ideal Types

It is important to note that the five design types described here are, in fact, **ideal types**. As such, it is quite possible that no sport organization will be exactly like one of these designs. For example, when we look at a set of sport organizations we may find that a number of them may be in transition between designs. In the late 1950s Coleman, a major producer of equipment for outdoor sports, had been operating with a machine bureaucracy design; management, realizing it had grown too big and diverse for this type of structure, started a process of divisionalization. Such changes take time to achieve; anyone studying this organization in its transition period would not find a neatly laid-out design type as described here. Kikulis et al. (1989) show evidence of transitional designs.

TIME OUT   *W.L. Gore & Associates: The Lattice Organization*

W.L. Gore & Associates is a manufacturing and research company worth more than a billion dollars. Gore-Tex fabrics are used to make skiwear, running suits, golf gear, tents, and clothing for hunting and fishing. The company promotes innovation through a unique organizational design, the lattice, a type of adhocracy in which the guiding principle is described as "unmanagement." Within the lattice organization every "associate" (as employees are called) must deal with other associates one-on-one. There are no hierarchies, no job titles, no bosses, and no authoritative commands. When they join the organization, new associates are sponsored by an established associate. New associates pick the area to work in which they think they can make the best contribution. They are then challenged to do their best in this area. Associates are given the freedom to experiment with new ideas and to follow through on those that are potentially profitable. They must, however, consult with associates before taking any action that the company terms as being "below the waterline" and having the potential to cause serious damage to the organization.

Based on information in Simmons (1987).

In their research they found a number of amateur sport organizations that were moving toward a professional bureaucratic structure but, at the time of the study, had not reached this design; they called these organizations nascent professional bureaucracies.

In addition to finding organizations in transitional states, it is also possible that we will find a number exhibiting what is referred to as a **hybrid structure**. That is to say, they exhibit the characteristics of more than one design type. It may be, for example, that a company producing sport equipment and operating with a machine bureaucracy design may wish to develop new products and enter new markets; it may create a small adhocracy as an appendage to its existing machine bureaucracy design. Brunswick took this type of initiative when it established venture capital groups within its divisions in order to nurture new products.

What does all this mean, then? Does the fact that we may not find the exact type of organizational design we have described mean that they are not useful? Of course not. As we pointed out at the start of this chapter, scholars who study organizations of all types have long considered a means of classification as one of the basic requirements of the field. As table 5.2 shows, the five designs developed by Mintzberg enable us to compare and contrast sport organizations on a number of dimensions. They also provide us with a basis for studying a wide variety of other organizational phenomena. For example, how does a sport organization change from a simple structure to a machine bureaucracy to a divisionalized form? Do machine bureaucracies and professional bureaucracies formulate strategy in different ways? Are decisions made differently in a professional bureaucracy than in an adhocracy? And, how is power exercised in each of these different designs? All of these questions, and many more, are valid topics of investigation for sport management students. The design types outlined can provide a useful basis for investigation into these areas.

Notes on Organizational Size

In this chapter we have made the implicit assumption that an organization's design is dependent, in part, on its size. Organizational **size** can be defined in many ways: total assets, return on investment, market share, sales volume, number of clients, number of employees, number of members, net profits, and so on. Kimberly (1976) suggests a combination of four aspects as a more appropriate way to operationalize the size concept: physical capacity of the organization, personnel available to the organization (the most commonly used aspect), volume of input or output, and the discretionary resources available to the organization (e.g., organizational wealth and assets).

Table 5.2 Dimensions of the Five Organizational Design Types

Dimensions	Simple structure	Machine bureaucracy	Professional bureaucracy	Divisionalized form	Adhocracy
Horizontal complexity	Low	High-functional	High-social	High-functional	High-social
Vertical complexity	Low	High	Medium	High within divisions	Low
Formalization	Low	High	Low	High within divisions	Low
Centralization	High	High	Low	High within divisions	Low
Technology	Simple	Regulating, not automated, not sophisticated	Not regulating or sophisticated	Divisible like machine bureaucracy	Sophisticated and often automated
Size	Small	Large	Varies	Large	Varies
Environment	Simple and dynamic	Simple and stable	Complex and stable	Simple and stable diversified markets	Complex and dynamic
Strategy	Intuitive and opportunistic	To maintain performance in chosen markets	Developed by individuals controlled by professional association	Portfolio	Seeks new products and new markets

KEY ISSUES FOR MANAGERS

There are different ways to theoretically or empirically categorize organizations. Managers must be concerned with two major aspects:

- The parts of the organization: What types of employees work here, and what is the overall nature of the organization (i.e., its goals, size, structural aspects, type of coordination)?
- The type of environment: Is it stable or unstable, and what is the nature of the market?

Determining these aspects helps narrow the best type of organizational design to fit the organization's needs and desires. Remember that there can be a design within a design (as explained in the Time Out on NBC) and an organization can be transitional in nature. Practically speaking, while organizations will be similar to those in this chapter most will not fit the ideal types because there are too many factors in play at the same time.

The emerging design type in sport organizations, alliances, is gaining popularity in such areas as public-private partnerships or joint ventures (Babiak, 2003; and chapter 7). The point for a sport manager is that the best design type must be chosen, even if it is new or unpopular. In that way, the organization's goals can be best achieved.

An organization's size will determine the choice of organizational design type. For example, the local sporting goods store owner will most likely choose a simpler organizational structure than would Adidas. Any increase (or decrease) in size can dictate a necessary change in organizational design type in order to stay efficient.

Size can have an impact on the different elements of organizational structure. Notwithstanding the nature of the organization (e.g., entrepreneurial versus manufacturing), an increase in size often goes hand-in-hand with an increase in the complexity and formalization of the organization (cf. Miller, G., 1987; Rushing, 1980; Slack, 1985; Slack & Hining, 1992). The relationship between size and centralization, however, is somewhat more difficult. On one hand it would be logical to think that growth means decentralizing to avoid overloading senior managers (Child, 1973a). On the other hand, owners may be reluctant to give up their control. This can be especially true for professional sport team owners.

SUMMARY AND CONCLUSIONS

Although no two sport organizations are exactly alike, they do exhibit common features that form the basis for classifying them into design types, or configurations. Classification has been identified as one of the most important tasks for organizational theorists because it provides a basis for the generation of hypotheses, models, and theories. There are two main ways of classifying organizations: Conceptually based schema are called typologies; those that are empirically based are referred to as taxonomies.

One of the most common organizational typologies is the one developed by Mintzberg (1979), who identifies five parts of an organization. Depending on the part that dominates, we get one of five organizational designs: the simple structure, the machine bureaucracy, the divisionalized form, the professional bureaucracy, or the adhocracy. We can find sport organizations representative of each of these design types.

The simple structure, most often found in small sport organizations and those in the early stages of their development, usually shows low levels of specialization and formalization. The key part of a simple structure is the strategic apex, where we find the individual who runs the sport organization and with whom power is centralized. Simple structures work best in environments that are simple and dynamic.

The machine bureaucracy is usually found in sport organizations that produce a standard output, government agencies concerned with sport, and organizations that need relatively simple tasks performed in a consistent manner. Its main attribute is its efficiency. The key part of the machine bureaucracy is the technostructure that standardizes work. We find the machine bureaucracy in simple and stable environments.

The divisionalized form is actually a group of organizations, usually machine bureaucracies, coordinated by a central headquarters. The divisions, not all of which are always involved in sport, provide product and market diversity. The key part of this organization is the presence of middle-line managers, those individuals who control the divisions. The divisionalized form is found in large organizations that have either product or market diversity; it operates in simple and stable environments.

The professional bureaucracy caters to the needs of the professional by providing the standardization of the bureaucracy but at the same time allowing professionals control of their own work. Faculties of physical education and sport studies often operate with a professional bureaucratic structure, as do sport medicine clinics and architectural firms specializing in sport facilities. The key part of the professional bureaucracy is the operating core, which contains the professionals. We find this type of design in sport organizations with complex and stable environments.

The final design is the adhocracy. NBC used this form of organization when it televised the Seoul Olympics. We also find it in research units and specialized structures such as a task force. Its strength is its flexibility and, hence, its ability to respond to change. The key part of this sport organization is the support staff of experts, on which the organization is dependent. We find this type of structure in complex and dynamic environments.

Each of the designs discussed is an ideal type, so we seldom find sport organizations that fit the pattern exactly as described. Some sport organizations may approximate one of the main designs, some may be in transitional states between designs, and others may exhibit a hybrid structure that exhibits the characteristics of more than one design.

KEY CONCEPTS

adhocracy (p. 100)

divisionalized form (p. 96)

hybrid structure (p. 103)

ideal types (p. 102)

machine bureaucracy (p. 95)

middle line (p. 91)

operating core (p. 91)

professional bureaucracy (p. 98)

simple structure (p. 92)

size (p. 103)

strategic apex (p. 91)

support staff (p. 91)

taxonomy (p. 89)

technostructure (p. 91)

typology (p. 87)

REVIEW QUESTIONS

1. How does a typology differ from a taxonomy?

2. What does Mintzberg suggest are the five parts of an organization?

3. What type of organizational design would you expect a small entrepreneurial sport organization to use? Why?

4. Describe the characteristics of the machine bureaucracy. What are the advantages and disadvantages of this design?

5. Pick some familiar sport organizations. What type of design do they have?

6. What type of design would you expect to find in a faculty of physical education and sport studies?

7. Discuss how the method of coordination varies in each of the five designs.

8. Describe the divisionalized form and explain where you might find this type of organiza-

tion in the sport industry. What are its advantages and disadvantages?

9. What are the characteristics of an adhocracy? Where would you expect to find this type of design in the sport industry?

10. In what type of sport organizations would you expect to find the professional bureaucracy?

11. What type of design did Nike use in its early years (see chapter 1)? What type of design do you think it uses now?

12. How does an adhocracy differ from a professional bureaucracy?

13. Discuss how the role of the strategic apex varies in each of the five designs.

14. Adhocracies have been described as fashionable. Why do you think this is?

15. In which of the design types is formalization likely to be low? Why?

SUGGESTIONS FOR FURTHER READING

For further reading, students are obviously referred to Mintzberg's (1979) work on organizational design. The most comprehensive treatment is found in his book *The Structuring of Organizations*. While part 4 of his book deals specifically with design, the earlier chapters lay much of the foundation for his work in this area and should have relevance for students interested in this topic. More condensed versions of Mintzberg's (1981) work on design can be found in his chapter,

"A Typology of Organizational Structure," and his articles "Organizational Design: Fashion or Fit?" in *Harvard Business Review*, and (1980) "Structure in 5's: A Synthesis of the Research on Organizational Design" in *Management Science*. Information on typologies and taxonomies can be found in Miller and Friesen's (1984) *Organizations: A Quantum View*. While this is the most sophisticated work on these topics, some of it is difficult reading, particularly chapter 2, which deals with methods

of developing taxonomies. You should also see Carper and Snizek's (1980) "The Nature and Types of Organizational Taxonomies: An Overview," in the *Academy of Management Review*.

Within the sport literature, Chelladurai's work (1985) on typologies in *Sport Management: Macro Perspectives* is a useful starting point for discussions on this topic. Also interesting is his 1992 article "A Classification of Sport and Physical Activity Services: Implications for Sport Management," in the *Journal of Sport Management*. In regard to taxonomies of organizations, students should see Hinings and Slack's (1987) chapter "The Dynamics of Quadrennial Plan Implementation in National Sport Organizations" in their (Slack & Hinings, 1987a) edited book *The Organization and Administration of Sport*. A more methodologically sophisticated taxonomy is developed and discussed in an extension of this work in Kikulis et al.'s (1989) article, "A Structural Taxonomy of Amateur Sport Organizations," in the *Journal of Sport Management*.

CASE FOR ANALYSIS

Reshaping National Sport Organizations

Sitting in her home in the suburbs of Toronto, Susan Collinson, the volunteer president of a small Canadian sport organization, reread the material she had just received from the federal government agency, Sport Canada.* Susan had been the president of her organization for two years and had frequently expressed her concern about the increased involvement the government was taking in its operation. The material she just received had Susan worried.

For the past 15 to 20 years Sport Canada had provided many of the national-level amateur sport organizations with funds to operate their programs. The funds were not large and they were given with few strings attached. Susan's organization had been fairly successful and had used their funds well, building a very strong volunteer base within the various clubs that existed throughout the country. Their provincial associations were also well organized. The national organization's board of directors was an enthusiastic group of volunteers, many of whom held managerial positions with local and national companies. Using the funds they received from Sport Canada, and other monies from membership fees and fund-raising ventures, this group of volunteers had established a wide range of developmental programs to encourage people to get involved in their sport. They had also been reasonably successful in international competition, because Jim Kramer, one of the top club coaches in the country, had worked with the national team as a volunteer coach.

The organization operated in a collegial manner. Although there were the occasional disputes, members worked well together. They had no detailed policies and procedures they had to follow; they basically "got on with the job." About three years ago the board had hired Katrina Torkildson, a former athlete who understood sports, to be their executive director. While she had no formal management training she was regarded as bright, enthusiastic, and well organized. Katrina worked for the board and essentially helped do the things they needed doing to make the organization run smoothly. As Susan read the material from the federal government, she wondered if all this was going to change.

Essentially, what the government was proposing was to increase significantly the amount of money they were providing to the national sport organizations. In large part their rationale was that this new funding would increase Canada's chances of doing well in the Olympic Games and other major international sporting events. Although no definitive figures were given, Susan roughly estimated that the funds her organization was receiving could quadruple.

However, there was a catch. To receive the funds, national sport organizations had to prepare a "plan." The plan should outline the type of changes the sport organization would make in order to operate in a more efficient and businesslike manner. This efficiency, Sport Canada felt, was what was needed to increase Canada's medal count at major games. The plan should also contain detailed policies and procedures that documented how the organization conducted its business. One of the other changes the government appeared to be promoting was the hiring of an increased number of professionally trained staff to run the affairs of the organization, enhance its

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*Although the situation in this case is based on actual events the names are fictitious.

developmental programs, and coach its national teams. Funds were to be provided, up to 75 percent of their salary, to hire these people; Sport Canada would, however, have a voice in who was hired. Although it was not stated as such, implicit in the material Susan received was the idea that volunteers would play a considerably smaller role in the organization's operation, which would be turned over to the new professional staff. As Susan pondered the material, she wondered what impact all this would have on her organization and how she should deal with the information she had received.

Questions

1. What would you do if you were Susan and you had just received the material from the federal government?

2. What is the potential impact of the government's proposed initiatives on the design of this national sport organization?

3. How do you think Jim and Katrina will feel about the government's proposals?

4. Is there any way that Susan could take advantage of the increased funding offered by the government, yet at the same time maintain the type of organizational design that currently exists?

5. Fast-forward 15 years: Susan has followed the government's guidelines thinking it was better to do as the government said to get the money. However, the government of Canada now decides it cannot keep supporting the Canadian sport organizations given the tougher economic times. The government plans to cut its annual funding by half but still expects the same performance level from the organizations. Also, the guidelines are still in place. What would you do if you were Susan?